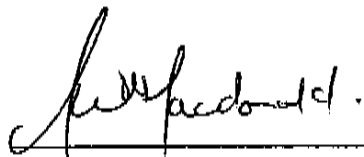


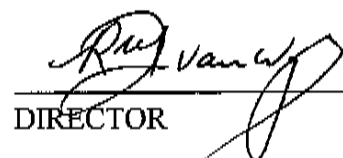
LEARN TO EARN**REG. NO : NPO 005-073 PBO NO : 18/11/13/3455****ANNUAL FINANCIAL STATEMENTS****31 MARCH 2010**

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 4 to 7 have been approved by the Directors:



CHAIRPERSON

DIRECTOR

LEARN TO EARN**RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2010

EXECUTIVE BOARD MEMBERS – Neil Macdonald (Chairperson)
Roche van Wyk (Director)
Judy Everingham
Mark Anderson
Charles Amos
Alex Cotchobos
Susan Wishart (General Manager)
Jerry van Niekerk

The Executive Board is responsible for the monitoring, preparation and integrity of the Financial Statements and related information included in these Financial Statements.

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Organisation's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The external auditors are responsible for reporting on the Financial Statements.

The Financial Statements are prepared in accordance with the Organisation's policies and established practices. The Financial Statements also incorporate disclosure in line with the accounting philosophy of the Organisation. The Financial Statements are based on appropriate accounting policies consistently applied.

The Board believes that the Organisation will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the Annual Financial Statements.

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (S.A)

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 Anthony Michael Schreiber, B.Com
 Barrie William Low, B.Com. M.Phil (Tax Law)

INDEPENDENT AUDITORS' REPORT

To the Members of Learn to Earn

Report on the Financial Statements

We have audited the Annual Financial Statements of Learn to Earn, which comprise the balance sheet as at 31 March 2010, and the income statement, statement of changes in equity and cash flow statement for the period then ended and a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 3 to 7.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Organisation's stated policies and procedures. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Company as at 31 March 2010, and its financial performance and its cash flows for the period then ended in accordance with the Organisation's accounting policies and procedures.

Low and Schreiber

LOW AND SCHREIBER
 REGISTERED AUDITORS, CAPE TOWN
 30 AUGUST 2010

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LEARN TO EARN

BALANCE SHEET

At 31 March 2010

	Note	2010 R	2009 R
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	2	61,371	123,037
Land and Buildings	3	17,514,824	10,293,085
Long Term Loan	4	1,693,430	1,049,870
		824,922	3,859,904
CURRENT ASSETS			
Accounts Receivable		50,389	439,144
Cash Reserves		774,533	3,420,760
TOTAL ASSETS		20,094,547	15,325,896
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Surplus on Revaluation of Property		4,507,982	4,507,982
Accumulated Funds		13,743,543	10,774,024
LONG TERM LIABILITY		1,053,402	-
Mortgage Bond	5	1,053,402	-
CURRENT LIABILITIES			
Accounts Payable		88,114	43,890
Rental Deposits		95,618	-
Mortgage Bond	5	135,888	-
Building Loan		470,000	-
TOTAL EQUITY AND LIABILITIES		20,094,547	15,325,896

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LEARN TO EARN**INCOME STATEMENT**

For the year ended 31 March 2010

	Note	2010 R	2009 R
INCOME		7,389,298	7,035,563
Donations Received		4,231,066	3,845,045
Interest Received		28,796	337,610
Grant – National Lottery Distribution Trust Fund		2,218,262	2,218,262
Fees Received		263,572	186,516
Fundraising Events		107,188	346,579
Rental		88,083	36,492
Sales of Materials, Products and Sundries		15,985	65,059
TFG Project – Management Fee		239,889	-
Recovery of Salaries		196,457	-
EXPENDITURE		4,419,779	3,408,978
Bank Charges		28,261	15,206
Building Expenses		110,326	26,615
Computer Hardware/Software		23,329	23,193
Depreciation		76,066	71,289
Electricity and Water		85,545	33,223
Enterprise Development		38,389	10,130
Equipment Purchases		72,947	38,451
General Expenses	7	164,405	73,257
Insurance		52,043	30,198
Interest Paid		51,047	-
Materials for Courses		42,768	20,967
Motor Vehicle and Travel Costs		83,143	117,743
Newsletters, Printing and Postage		43,851	50,256
Promotion and Fundraising Events		87,341	303,556
Rates		6,979	2,714
Rent		39,843	81,469
Repairs and Maintenance		187,484	48,228
Stationery		49,314	42,235
Staff Costs – Administration		813,634	415,514
Funding Management, Public Relations and Marketing		468,379	480,191
Learn to Earn Association		274,087	259,027
Training		1,239,949	1,207,333
The Feel Good Project		292,016	-
Telephone and Communications		88,633	58,183
NET SURPLUS FOR THE YEAR		2,969,519	3,626,585
ACCUMULATED FUNDS at beginning of the year		10,774,024	7,147,439
ACCUMULATED FUNDS at end of the year		13,743,543	10,774,024

LEARN TO EARN**NOTES TO THE FINANCIAL STATEMENTS**

31 March 2010

1. BASIS OF PREPARATION AND ACCOUNTING POLICY

The Annual Financial Statements have been prepared in accordance with the Organisation's policies and procedures. They incorporate the following principal accounting policy which is consistent with that applied in the previous year:-

1.1 Non-Current Assets

Computers are depreciated over four years on the straight line basis.

Land and Buildings are accounted for at fair value.

Other sundry assets are expensed in the year of purchase.

2. FIXED ASSETS	2010	2009
	R	R
<u>Computers</u>		
Cost	208,726	194,326
Accumulated Depreciation	(147,355)	(71,289)
Net Book Value	<u>61,371</u>	<u>123,037</u>
 3. LAND AND BUILDINGS		
Land and Buildings – Fair Value	10,293,085	5,500,000
Additions	7,221,739	4,793,085
	<u>17,514,824</u>	<u>10,293,085</u>

Land and Buildings are situated at 30 Sixwayikati Street, Ilitha Park, Khayelitsha and Erf 243, Corner Angelier and Lelie Streets, Hermanus and 79 Belvedere Road, Claremont. The Properties are shown at fair value as determined by the Board.

4. LONG TERM LOAN

The Loan to the Learn to Earn Business Resource Centre is unsecured, interest free and no fixed terms of repayment have been set. The Board have agreed not to request repayment of this Loan until the Business Resource Centre is in a solvent financial position and it is therefore anticipated that no repayment of this Loan will be made for several years.

LEARN TO EARN**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

31 March 2010

5. LONG TERM LIABILITY

	2010 R	2009 R
<u>Mortgage Bond – ABSA</u>		
Total Outstanding	1,189,290	-
Less: Transferred to Current Liabilities	(135,888)	-
	<u>1,053,402</u>	<u>-</u>

The Loan is secured over the Belvedere Road Property referred to in Note 3 and bears interest at 9.5%. The Loan is repayable in monthly instalments of R11,234.

6. EVENTS SUBSEQUENT TO THE YEAR END

No material fact or circumstance has occurred between the year end and the date of this Report.

7. GENERAL EXPENSES

	2010 R	2009 R
Building Project Expenses	110,326	26,615
Entertainment	4,422	5,320
Groceries and Cleaning	13,791	9,749
Materials and Product Cost for Resale	-	1,060
Mortgage Bond Fees	4,951	-
Professional Services and Gratuities	64,835	26,925
Rent Deposit Refund	3,000	-
Security	19,912	7,958
Staff Retreat	14,092	6,481
Staff Training and Development	28,558	13,675
Student Graduation Expenses	4,831	-
Subscriptions	6,013	2,089
	<u>274,731</u>	<u>99,872</u>

8. CAPITAL COMMITMENTS

Commitments contracted for in respect of Fixed Property acquisitions are:

	2010 R	2009 R
Durbanville	50,000	67,000
Hermanus	-	4,272,960
Khayelitsha	-	<u>1,500,000</u>